

103D CONGRESS  
1ST SESSION

# H. R. 17

To make technical corrections relating to the Revenue Reconciliation Act of 1990, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. ROSTENKOWSKI introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To make technical corrections relating to the Revenue Reconciliation Act of 1990, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE. ETC.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Technical Corrections Act of 1993”.

6       (b) AMENDMENT OF 1986 CODE.—Except as other-  
7       wise expressly provided, whenever in this Act an amend-  
8       ment or repeal is expressed in terms of an amendment  
9       to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-  
2 sion of the Internal Revenue Code of 1986.

## 3 **TITLE I—REVENUE PROVISIONS**

### 4 **SEC. 101. AMENDMENTS RELATED TO REVENUE REC-** 5 **ONCILIATION ACT OF 1990.**

6 (a) AMENDMENTS RELATED TO SUBTITLE A.—

7 (1) Subparagraph (B) of section 59(j)(3) is  
8 amended by striking “section 1(i)(3)(B)” and insert-  
9 ing “section 1(g)(3)(B)”.

10 (2) Paragraph (2) of section 897(a) is amended  
11 by striking “21” in the heading of such paragraph  
12 and in subparagraph (A) and inserting “24”.

13 (3) Clause (ii) of section 32(b)(1)(B) is amend-  
14 ed by inserting a comma after “greater”.

15 (4) Section 541 is amended by striking “28  
16 percent” and inserting “31 percent”.

17 (5) Subsection (c) of section 32 is amended by  
18 adding at the end thereof the following new para-  
19 graph:

20 “(4) TREATMENT OF DEDUCTION FOR MEDICAL  
21 INSURANCE OF SELF-EMPLOYED.—In determining  
22 the amount of adjusted gross income for purposes of  
23 this section, the amount of the deduction under sec-  
24 tion 162(l) shall be determined without regard to  
25 section 162(l)(3)(B).”

1           (6) Clause (i) of section 151(d)(3)(C) is amend-  
2       ed by striking “joint of a return” and inserting  
3       “joint return”.

4           (7) Subsection (b) of section 1 is amended by  
5       striking “\$26,500” in the table contained therein  
6       and inserting “\$26,050”.

7       (b) AMENDMENTS RELATED TO SUBTITLE B.—

8           (1) Paragraph (1) of section 11212(e) of the  
9       Revenue Reconciliation Act of 1990 is amended by  
10      striking “Paragraph (1) of section 6724(d)” and in-  
11      serting “Subparagraph (B) of section 6724(d)(1)”.

12          (2) Subsection (b) of section 4082 is amended  
13      to read as follows:

14      “(b) TAX ON CERTAIN USES.—If any person uses  
15      gasoline (other than in the production of gasoline or spe-  
16      cial fuels referred to in section 4041), such use shall for  
17      purposes of this chapter be considered a removal.”

18          (3)(A) Subparagraph (B) of section 4093(c)(2)  
19      is amended by inserting before the period “unless  
20      such fuel is sold for exclusive use by a State or any  
21      political subdivision thereof”.

22          (B) Paragraph (4) of section 6427(l) is amend-  
23      ed by inserting before the period “unless such fuel  
24      was used by a State or any political subdivision  
25      thereof”.

1           (4) Paragraph (1) of section 6416(b) is amend-  
2       ed by striking “chapter 32 or by section 4051” and  
3       inserting “chapter 31 or 32”.

4           (5) Section 7012 is amended—

5                (A) by striking “production or importation  
6       of gasoline” in paragraph (3) and inserting  
7       “taxes on gasoline and diesel fuel”, and

8                (B) by striking paragraph (4) and redesignig-  
9       nating paragraphs (5) and (6) as paragraphs  
10      (4) and (5), respectively.

11          (6) Subsection (c) of section 5041 is amended  
12      by striking paragraph (6) and by inserting the fol-  
13      lowing new paragraphs:

14               “(6) CREDIT FOR TRANSFEREE IN BOND.—If—

15                   “(A) wine produced by any person would  
16       be eligible for any credit under paragraph (1)  
17       if removed by such person during the calendar  
18       year,

19                   “(B) wine produced by such person is re-  
20       moved during such calendar year by any other  
21       person (hereafter in this paragraph referred to  
22       as the ‘transferee’) to whom such wine was  
23       transferred in bond and who is liable for the tax  
24       imposed by this section with respect to such  
25       wine, and

1           “(C) such producer holds title to such wine  
2           at the time of its removal and provides to the  
3           transferee such information as is necessary to  
4           properly determine the transferee’s credit under  
5           this paragraph,

6           then, the transferee (and not the producer) shall be  
7           allowed the credit under paragraph (1) which would  
8           be allowed to the producer if the wine removed by  
9           the transferee had been removed by the producer on  
10          that date.

11          “(7) REGULATIONS.—The Secretary may pre-  
12          scribe such regulations as may be necessary to carry  
13          out the purposes of this subsection, including regula-  
14          tions—

15               “(A) to prevent the credit provided in this  
16               subsection from benefiting any person who pro-  
17               duces more than 250,000 wine gallons during a  
18               calendar year, and

19               “(B) to assure proper reduction of such  
20               credit for persons producing more than 150,000  
21               wine gallons of wine during a calendar year.”

22          (7) Paragraph (3) of section 5061(b) is amend-  
23          ed to read as follows:

24               “(3) section 5041(f),”.

1           (8) Section 5354 is amended by inserting “(tak-  
2           ing into account the appropriate amount of credit  
3           with respect to such wine under section 5041(c))”  
4           after “any one time”.

5           (9) Effective on the date of the enactment of  
6           this Act, paragraph (7) of section 11202(i) of the  
7           Revenue Reconciliation Act of 1990 is amended by  
8           adding at the end thereof the following: “The Sec-  
9           retary may treat any person who bore the ultimate  
10          burden of the tax imposed by this subsection as the  
11          person to whom a credit or refund under such provi-  
12          sions may be allowed or made.”

13          (c) AMENDMENTS RELATED TO SUBTITLE C.—

14           (1) Paragraph (4) of section 56(g) is amended  
15           by redesignating subparagraph (I) as subparagraph  
16           (H).

17           (2) Subparagraph (B) of section 6724(d)(1) is  
18           amended—

19                   (A) by striking “or” at the end of clause  
20                   (xi),

21                   (B) by striking the period at the end of the  
22                   clause added by section 11212(e) of the Reve-  
23                   nue Reconciliation Act of 1990 and inserting “,  
24                   or”, and

1 (C) by redesignating the clause added by  
2 section 11323(c)(2) of such Act as clause (xiii).

3 (3) Subsection (g) of section 6302 is amended  
4 by inserting “, 22,” after “chapters 21”.

5 (4) The earnings and profits of any insurance  
6 company to which section 11305(c)(3) of the Reve-  
7 nue Reconciliation Act of 1990 applies shall be de-  
8 termined without regard to any deduction allowed  
9 under such section; except that, for purposes of ap-  
10 plying sections 56, 902, 952(c)(1), and 960 of the  
11 Internal Revenue Code of 1986, such deduction shall  
12 be taken into account.

13 (5) Subparagraph (D) of section 6038A(e)(4) is  
14 amended—

15 (A) by striking “any transaction to which  
16 the summons relates” and inserting “any af-  
17 fected taxable year”, and

18 (B) by adding at the end thereof the fol-  
19 lowing new sentence: “For purposes of this sub-  
20 paragraph, the term ‘affected taxable year’  
21 means any taxable year if the determination of  
22 the amount of tax imposed for such taxable  
23 year is affected by the treatment of the trans-  
24 action to which the summons relates.”

1           (6) Subparagraph (A) of section 6621(c)(2) is  
2           amended by adding at the end thereof the following  
3           new sentence: “The preceding sentence shall be ap-  
4           plied without regard to any such letter or notice  
5           which is withdrawn by the Secretary.”

6           (7) Clause (i) of section 6621(c)(2)(B) is  
7           amended by striking “this subtitle” and inserting  
8           “this title”.

9           (d) AMENDMENTS RELATED TO SUBTITLE D.—

10          (1) Paragraph (9) of section 132(h) is amended  
11          by striking “or the last sentence of subsection (c)(1)  
12          thereof”.

13          (2) Notwithstanding section 11402(c) of the  
14          Revenue Reconciliation Act of 1990, the amendment  
15          made by section 11402(b)(1) of such Act shall apply  
16          to taxable years ending after December 31, 1989.

17          (3) Clause (ii) of section 143(m)(4)(C) is  
18          amended—

19                 (A) by striking “any month of the 10-year  
20                 period” and inserting “any year of the 4-year  
21                 period”,

22                 (B) by striking “succeeding months” and  
23                 inserting “succeeding years”, and



1 (C) by striking “over the remainder of  
2 such period (or, if lesser, 5 years)” and insert-  
3 ing “to zero over the succeeding 5 years”.

4 (e) AMENDMENTS RELATED TO SUBTITLE E.—

5 (1)(A) Clause (ii) of section 56(d)(1)(B) is  
6 amended to read as follows:

7 “(ii) appropriate adjustments in the  
8 application of section 172(b)(2) shall be  
9 made to take into account the limitation of  
10 subparagraph (A).”

11 (B) For purposes of applying sections 56(g)(1)  
12 and 56(g)(3) of the Internal Revenue Code of 1986  
13 with respect to taxable years beginning in 1991 and  
14 1992, the reference in such sections to the alter-  
15 native tax net operating loss deduction shall be  
16 treated as including a reference to the deduction  
17 under section 56(h) of such Code as in effect before  
18 the amendments made by section 1915 of the En-  
19 ergy Policy Act of 1992.

20 (2) Clause (i) of section 613A(c)(3)(A) is  
21 amended by striking “the table contained in”.

22 (3) Section 6501 is amended—

23 (A) by striking subsection (m) (relating to  
24 deficiency attributable to election under section

1           44B) and by redesignating subsections (n) and  
2           (o) as subsections (m) and (n), respectively, and  
3           (B) by striking “section 40(f) or 51(j)” in  
4           subsection (m) (as redesignated by subpara-  
5           graph (A)) and inserting “section 40(f), 43, or  
6           51(j)”.

7           (4) Subparagraph (C) of section 38(c)(2) (as in  
8           effect on the day before the date of the enactment  
9           of the Revenue Reconciliation Act of 1990) is  
10          amended by inserting before the period at the end  
11          of the first sentence the following: “and without re-  
12          gard to the deduction under section 56(h)”.

13          (f) AMENDMENTS RELATED TO SUBTITLE F.—

14               (1)(A) Section 2701(a)(3) is amended by add-  
15               ing at the end thereof the following new subpara-  
16               graph:

17                       “(C) VALUATION OF QUALIFIED PAYMENTS  
18                       WHERE NO LIQUIDATION, ETC. RIGHTS.—In the  
19                       case of an applicable retained interest which is  
20                       described in subparagraph (B)(i) but not sub-  
21                       paragraph (B)(ii), the value of the distribution  
22                       right shall be determined without regard to this  
23                       section.”

1 (B) Section 2701(a)(3)(B) is amended by in-  
2 serting “CERTAIN” before “QUALIFIED” in the head-  
3 ing thereof.

4 (C) Sections 2701 (d)(1) and (d)(4) are each  
5 amended by striking “subsection (a)(3)(B)” and in-  
6 serting “subsection (a)(3) (B) or (C)”.

7 (2) Clause (i) of section 2701(a)(4)(B) is  
8 amended by inserting “(or, to the extent provided in  
9 regulations, the rights as to either income or cap-  
10 ital)” after “income and capital”.

11 (3)(A) Section 2701(b)(2) is amended by add-  
12 ing at the end thereof the following new subpara-  
13 graph:

14 “(C) APPLICABLE FAMILY MEMBER.—For  
15 purposes of this subsection, the term ‘applicable  
16 family member’ includes any lineal descendant  
17 of any parent of the transferor or the transfer-  
18 or’s spouse.”

19 (B) Section 2701(e)(3) is amended—

20 (i) by striking subparagraph (B), and

21 (ii) by striking so much of paragraph (3)  
22 as precedes “shall be treated as holding” and  
23 inserting:

24 “(3) ATTRIBUTION OF INDIRECT HOLDINGS  
25 AND TRANSFERS.—An individual”.

1 (C) Section 2704(c)(3) is amended by striking  
2 “section 2701(e)(3)(A)” and inserting “section  
3 2701(e)(3)”.

4 (4) Clause (i) of section 2701(c)(1)(B) is  
5 amended to read as follows:

6 “(i) a right to distributions with respect to  
7 any interest which is junior to the rights of the  
8 transferred interest,”.

9 (5)(A) Clause (i) of section 2701(c)(3)(C) is  
10 amended to read as follows:

11 “(i) IN GENERAL.—Payments under any  
12 interest held by a transferor which (without re-  
13 gard to this subparagraph) are qualified pay-  
14 ments shall be treated as qualified payments  
15 unless the transferor elects not to treat such  
16 payments as qualified payments. Payments de-  
17 scribed in the preceding sentence which are held  
18 by an applicable family member shall be treated  
19 as qualified payments only if such member  
20 elects to treat such payments as qualified pay-  
21 ments.”.

22 (B) The first sentence of section  
23 2701(c)(3)(C)(ii) is amended to read as follows: “A  
24 transferor or applicable family member holding any  
25 distribution right which (without regard to this sub-

1 paragraph) is not a qualified payment may elect to  
2 treat such right as a qualified payment, to be paid  
3 in the amounts and at the times specified in such  
4 election.”

5 (C) The time for making an election under the  
6 second sentence of section 2701(c)(3)(C)(i) of the  
7 Internal Revenue Code of 1986 (as amended by sub-  
8 paragraph (A)) shall not expire before the due date  
9 (including extensions) for filing the transferor’s re-  
10 turn of the tax imposed by section 2501 of such  
11 Code for the first calendar year ending after the  
12 date of enactment.

13 (6) Section 2701(d)(3)(A)(iii) is amended by  
14 striking “the period ending on the date of”.

15 (7) Subclause (I) of section 2701(d)(3)(B)(ii) is  
16 amended by inserting “or the exclusion under sec-  
17 tion 2503(b),” after “section 2523,”.

18 (8) Section 2701(e)(5) is amended—

19 (A) by striking “such contribution to cap-  
20 ital or such redemption, recapitalization, or  
21 other change” in subparagraph (A) and insert-  
22 ing “such transaction”, and

23 (B) by striking “the transfer” in subpara-  
24 graph (B) and inserting “such transaction”.

1           (9) Section 2701(d)(4) is amended by adding at  
2           the end thereof the following new subparagraph:

3                   “(C) TRANSFER TO TRANSFERORS.—In  
4           the case of a taxable event described in para-  
5           graph (3)(A)(ii) involving a transfer of an ap-  
6           plicable retained interest from an applicable  
7           family member to a transferor, this subsection  
8           shall continue to apply to the transferor during  
9           any period the transferor holds such interest.”

10          (10) Section 2701(e)(6) is amended by insert-  
11          ing “or to reflect the application of subsection (d)”  
12          before the period at the end thereof.

13          (11)(A) Section 2702(a)(3)(A) is amended—

14                  (i) by striking “to the extent” and insert-  
15                  ing “if” in clause (i),

16                  (ii) by striking “or” at the end of clause  
17                  (i),

18                  (iii) by striking the period at the end of  
19                  clause (ii) and inserting “, or”, and

20                  (iv) by adding at the end thereof the fol-  
21                  lowing new clause:

22                          “(iii) to the extent that regulations  
23                          provide that such transfer is not inconsis-  
24                          tent with the purposes of this section.”

1 (B)(i) Section 2702(a)(3) is amended by strik-  
2 ing “incomplete transfer” each place it appears and  
3 inserting “incomplete gift”.

4 (ii) The heading for section 2702(a)(3)(B) is  
5 amended by striking “INCOMPLETE TRANSFER” and  
6 inserting “INCOMPLETE GIFT”.

7 (g) AMENDMENTS RELATED TO SUBTITLE G.—

8 (1)(A) Subsection (a) of section 1248 is amend-  
9 ed—

10 (i) by striking “, or if a United States per-  
11 son receives a distribution from a foreign cor-  
12 poration which, under section 302 or 331, is  
13 treated as an exchange of stock” in paragraph  
14 (1), and

15 (ii) by adding at the end thereof the follow-  
16 ing new sentence: “For purposes of this section,  
17 a United States person shall be treated as hav-  
18 ing sold or exchanged any stock if, under any  
19 provision of this subtitle, such person is treated  
20 as realizing gain from the sale or exchange of  
21 such stock.”

22 (B) Paragraph (1) of section 1248(e) is amend-  
23 ed by striking “or receives a distribution from a do-  
24 mestic corporation which, under section 302 or 331,  
25 is treated as an exchange of stock”.

1 (C) Subparagraph (B) of section 1248(f)(1) is  
2 amended by striking “or 361(c)(1)” and inserting  
3 “355(c)(1), or 361(c)(1)”.

4 (D) Paragraph (1) of section 1248(i) is amend-  
5 ed to read as follows:

6 “(1) IN GENERAL.—If any shareholder of a 10-  
7 percent corporate shareholder of a foreign corpora-  
8 tion exchanges stock of the 10-percent corporate  
9 shareholder for stock of the foreign corporation,  
10 such 10-percent corporate shareholder shall recog-  
11 nize gain in the same manner as if the stock of the  
12 foreign corporation received in such exchange had  
13 been—

14 “(A) issued to the 10-percent corporate  
15 shareholder, and

16 “(B) then distributed by the 10-percent  
17 corporate shareholder to such shareholder in re-  
18 demption or liquidation (whichever is appro-  
19 priate).

20 The amount of gain recognized by such 10-percent  
21 corporate shareholder under the preceding sentence  
22 shall not exceed the amount treated as a dividend  
23 under this section.”

24 (2) Section 897 is amended by striking sub-  
25 section (f).



1           (3) Paragraph (13) of section 4975(d) is  
2           amended by striking “section 408(b)” and inserting  
3           “section 408(b)(12)”.

4           (4) Clause (iii) of section 56(g)(4)(D) is amend-  
5           ed by inserting “, but only with respect to taxable  
6           years beginning after December 31, 1989” before  
7           the period at the end thereof.

8           (5)(A) Paragraph (11) of section 11701(a) of  
9           the Revenue Reconciliation Act of 1990 (and the  
10          amendment made by such paragraph) are hereby re-  
11          pealed, and section 7108(r)(2) of the Revenue Rec-  
12          onciliation Act of 1989 shall be applied as if such  
13          paragraph (and amendment) had never been en-  
14          acted.

15          (B) Subparagraph (A) shall not apply to any  
16          building if the owner of such building establishes to  
17          the satisfaction of the Secretary of the Treasury or  
18          his delegate that such owner reasonably relied on the  
19          amendment made by such paragraph (11).

20          (h) AMENDMENTS RELATED TO SUBTITLE H.—

21          (1)(A) Clause (vi) of section 168(e)(3)(B) is  
22          amended by striking “or” at the end of subclause  
23          (I), by striking the period at the end of subclause  
24          (II) and inserting “, or”, and by adding at the end  
25          thereof the following new subclause:

1                   “(III) is described in section  
2                   48(l)(3)(A)(ix) (as in effect on the day be-  
3                   fore the date of the enactment of the Reve-  
4                   nue Reconciliation Act of 1990).”

5                   (B) Subparagraph (K) of section 168(g)(4) is  
6                   amended by striking “section 48(a)(3)(A)(iii)” and  
7                   inserting “section 48(l)(3)(A)(ix) (as in effect on the  
8                   day before the date of the enactment of the Revenue  
9                   Reconciliation Act of 1990)”.

10                  (2) Clause (ii) of section 172(b)(1)(E) is  
11                  amended by striking “subsection (m)” and inserting  
12                  “subsection (h)”.

13                  (3) Sections 805(a)(4)(E), 832(b)(5)(C)(ii)(II),  
14                  and 832(b)(5)(D)(ii)(II) are each amended by strik-  
15                  ing “243(b)(5)” and inserting “243(b)(2)”.

16                  (4) Subparagraph (A) of section 243(b)(3) is  
17                  amended by inserting “of” after “In the case”.

18                  (5) The subsection heading for subsection (a) of  
19                  section 280F is amended by striking “INVESTMENT  
20                  TAX CREDIT AND”.

21                  (6) Clause (i) of section 1504(c)(2)(B) is  
22                  amended by inserting “section” before “243(b)(2)”.

23                  (7) Paragraph (3) of section 341(f) is amended  
24                  by striking “351, 361, 371(a), or 374(a)” and in-  
25                  serting “351, or 361”.

1           (8) Paragraph (2) of section 243(b) is amended  
2       to read as follows:

3           “(2) AFFILIATED GROUP.—For purposes of this  
4       subsection:

5           “(A) IN GENERAL.—The term ‘affiliated  
6       group’ has the meaning given such term by sec-  
7       tion 1504(b), except that for such purposes sec-  
8       tions 1504(b)(2), 1504(b)(4), and 1504(c) shall  
9       not apply.

10          “(B) GROUP MUST BE CONSISTENT IN  
11       FOREIGN TAX TREATMENT.—The requirements  
12       of paragraph (1)(A) shall not be treated as  
13       being met with respect to any dividend received  
14       by a corporation if, for any taxable year which  
15       includes the day on which such dividend is re-  
16       ceived—

17               “(i) 1 or more members of the affili-  
18               ated group referred to in paragraph (1)(A)  
19               choose to any extent to take the benefits of  
20               section 901, and

21               “(ii) 1 or more other members of such  
22               group claim to any extent a deduction for  
23               taxes otherwise creditable under section  
24               901.”

1           (9) The amendment made by section  
2   11813(b)(17) of the Revenue Reconciliation Act of  
3   1990 shall be applied as if the material stricken by  
4   such amendment included the closing parenthesis  
5   after “section 48(a)(5)”.

6           (10) Paragraph (1) of section 179(d) is amend-  
7   ed—

8                 (A) by striking “in a trade or business”  
9                 and inserting “a trade or business”, and

10                (B) by adding at the end thereof the fol-  
11                lowing new sentence: “Such term shall not in-  
12                clude any property described in section 50(b)  
13                and shall not include air conditioning or heating  
14                units and horses”.

15           (11) Subparagraph (E) of section 50(a)(2) is  
16   amended by striking “section 48(a)(5)(A)” and in-  
17   serting “section 48(a)(5)”.

18           (12) The amendment made by section  
19   11801(c)(9)(G)(ii) of the Revenue Reconciliation Act  
20   of 1990 shall be applied as if it struck “Section  
21   422A(c)(2)” and inserted “Section 422(c)(2)”.

22           (13) Subparagraph (B) of section 424(c)(3) is  
23   amended by striking “a qualified stock option, an in-  
24   centive stock option, an option granted under an em-  
25   ployee stock purchase plan, or a restricted stock op-

1       tion” and inserting “an incentive stock option or an  
2       option granted under an employee stock purchase  
3       plan”.

4           (14) Subparagraph (E) of section 1367(a)(2) is  
5       amended by striking “section 613A(c)(13)(B)” and  
6       inserting “section 613A(c)(11)(B)”.

7           (15) Subparagraph (B) of section 460(e)(6) is  
8       amended by striking “section 167(k)” and inserting  
9       “section 168(e)(2)(A)(ii)”.

10          (16) Subparagraph (C) of section 172(h)(4) is  
11       amended by striking “subsection (b)(1)(M)” and in-  
12       serting “subsection (b)(1)(E)”.

13          (17) Section 6503 is amended—

14           (A) by redesignating the subsection relat-  
15       ing to extension in case of certain summonses  
16       as subsection (j), and

17           (B) by redesignating the subsection relat-  
18       ing to cross references as subsection (k).

19          (18) Paragraph (4) of section 1250(e) is hereby  
20       repealed.

21          (i) EFFECTIVE DATE.—Any amendment made by  
22       this section shall take effect as if included in the provision  
23       of the Revenue Reconciliation Act of 1990 to which such  
24       amendment relates.

1 **SEC. 102. MISCELLANEOUS PROVISIONS.**

2 (a) APPLICATION OF AMENDMENTS MADE BY TITLE  
3 XII OF OMNIBUS BUDGET RECONCILIATION ACT OF  
4 1990.—Except as otherwise expressly provided, whenever  
5 in title XII of the Omnibus Budget Reconciliation Act of  
6 1990 an amendment or repeal is expressed in terms of  
7 an amendment to, or repeal of, a section or other provi-  
8 sion, the reference shall be considered to be made to a  
9 section or other provision of the Internal Revenue Code  
10 of 1986.

11 (b) TREATMENT OF CERTAIN AMOUNTS UNDER  
12 HEDGE BOND RULES.—

13 (1) Clause (iii) of section 149(g)(3)(B) is  
14 amended to read as follows:

15 “(iii) AMOUNTS HELD PENDING REIN-  
16 VESTMENT OR REDEMPTION.—Amounts  
17 held for not more than 30 days pending re-  
18 investment or bond redemption shall be  
19 treated as invested in bonds described in  
20 clause (i).”

21 (2) The amendment made by paragraph (1)  
22 shall take effect as if included in the amendments  
23 made by section 7651 of the Omnibus Budget Rec-  
24 onciliation Act of 1989.

25 (c) TREATMENT OF CERTAIN DISTRIBUTIONS  
26 UNDER SECTION 1445.—

1           (1) IN GENERAL.—Paragraph (3) of section  
2       1445(e) is amended by adding at the end thereof  
3       the following new sentence: “Rules similar to the  
4       rules of the preceding provisions of this paragraph  
5       shall apply in the case of any distribution to which  
6       section 301 applies and which is not made out of the  
7       earnings and profits of such a domestic corpora-  
8       tion.”

9           (2) EFFECTIVE DATE.—The amendment made  
10      by paragraph (1) shall apply to distributions after  
11      the date of the enactment of this Act.

12      (d) TREATMENT OF CERTAIN CREDITS UNDER SEC-  
13      TION 469.—

14           (1) IN GENERAL.—Subparagraph (B) of section  
15      469(c)(3) is amended by adding at the end thereof  
16      the following new sentence: “If the preceding sen-  
17      tence applies to the net income from any property  
18      for any taxable year, any credits allowable under  
19      subpart B (other than section 27(a)) or D of part  
20      IV of subchapter A for such taxable year which are  
21      attributable to such property shall be treated as  
22      credits not from a passive activity to the extent the  
23      amount of such credits does not exceed the regular  
24      tax liability of the taxpayer for the taxable year  
25      which is allocable to such net income.”

1           (2) EFFECTIVE DATE.—The amendment made  
2       by paragraph (1) shall apply to taxable years begin-  
3       ning after December 31, 1986.

4       (e) TREATMENT OF DISPOSITIONS UNDER PASSIVE  
5       LOSS RULES.—

6           (1) IN GENERAL.—Subparagraph (A) of section  
7       469(g)(1) is amended to read as follows:

8           “(A) IN GENERAL.—If all gain or loss real-  
9       ized on such disposition is recognized, the ex-  
10      cess of—

11           “(i) any loss from such activity for  
12      such taxable year (determined after the ap-  
13      plication of subsection (b)), over

14           “(ii) any net income or gain for such  
15      taxable year from all other passive activi-  
16      ties (determined after the application of  
17      subsection (b)),

18      shall be treated as a loss which is not from a  
19      passive activity.”

20       (2) EFFECTIVE DATE.—The amendment made  
21      by paragraph (1) shall apply to taxable years begin-  
22      ning after December 31, 1986.

23       (f) MISCELLANEOUS AMENDMENTS TO FOREIGN  
24      PROVISIONS.—



1           (1) COORDINATION OF UNIFIED ESTATE TAX  
2 CREDIT WITH TREATIES.—Subparagraph (A) of sec-  
3 tion 2102(c)(3) is amended by adding at the end  
4 thereof the following new sentence: “For purposes  
5 of the preceding sentence, property shall not be  
6 treated as situated in the United States if such  
7 property is exempt from the tax imposed by this  
8 subchapter under any treaty obligation of the United  
9 States.”

10           (2) TREATMENT OF CERTAIN INTEREST PAID  
11 TO RELATED PERSON.—

12           (A) IN GENERAL.—Subparagraph (B) of  
13 section 163(j)(1) is amended by inserting before  
14 the period at the end thereof the following:  
15 “(and clause (ii) of paragraph (2)(A) shall not  
16 apply for purposes of applying this subsection  
17 to the amount so treated)”.

18           (B) EFFECTIVE DATE.—The amendment  
19 made by subparagraph (A) shall apply as if in-  
20 cluded in the amendments made by section  
21 7210(a) of the Revenue Reconciliation Act of  
22 1989.

23           (3) TREATMENT OF INTEREST ALLOCABLE TO  
24 EFFECTIVELY CONNECTED INCOME.—

25           (A) IN GENERAL.—

1 (i) Subparagraph (B) of section  
2 884(f)(1) is amended by striking “to the  
3 extent” and all that follows down through  
4 “subparagraph (A)” and inserting “to the  
5 extent that the allocable interest exceeds  
6 the interest described in subparagraph  
7 (A)”.

8 (ii) The second sentence of section  
9 884(f)(1) is amended by striking “reason-  
10 ably expected” and all that follows down  
11 through the period at the end thereof and  
12 inserting “reasonably expected to be alloca-  
13 ble interest.”

14 (iii) Paragraph (2) of section 884(f) is  
15 amended to read as follows:

16 “(2) ALLOCABLE INTEREST.—For purposes of  
17 this subsection, the term ‘allocable interest’ means  
18 any interest which is allocable to income which is ef-  
19 fectively connected (or treated as effectively con-  
20 nected) with the conduct of a trade or business in  
21 the United States.”

22 (B) EFFECTIVE DATE.—The amendments  
23 made by subparagraph (A) shall take effect as  
24 if included in the amendments made by section  
25 1241(a) of the Tax Reform Act of 1986.

1 (4) CLARIFICATION OF SOURCE RULE.—

2 (A) IN GENERAL.—Paragraph (2) of sec-  
3 tion 865(b) is amended by striking “863(b)”  
4 and inserting “863”.

5 (B) EFFECTIVE DATE.—The amendment  
6 made by subparagraph (A) shall take effect as  
7 if included in the amendments made by section  
8 1211 of the Tax Reform Act of 1986.

9 (5) REPEAL OF OBSOLETE PROVISIONS.—

10 (A) Paragraph (1) of section 6038(a) is  
11 amended by striking “, and” at the end of sub-  
12 paragraph (E) and inserting a period, and by  
13 striking subparagraph (F).

14 (B) Subsection (b) of section 6038A is  
15 amended by adding “and” at the end of para-  
16 graph (2), by striking “, and” at the end of  
17 paragraph (3) and inserting a period, and by  
18 striking paragraph (4).

19 (g) TREATMENT OF ASSIGNMENT OF INTEREST IN  
20 CERTAIN BOND-FINANCED FACILITIES.—

21 (1) IN GENERAL.—Subparagraph (A) of section  
22 1317(3) of the Tax Reform Act of 1986 is amended  
23 by adding at the end thereof the following new sen-  
24 tence: “A facility shall not fail to be treated as de-  
25 scribed in this subparagraph by reason of an assign-

1       ment (or an agreement to an assignment) by the  
 2       governmental unit on whose behalf the bonds are is-  
 3       sued of any part of its interest in the property fi-  
 4       nanced by such bonds to another governmental  
 5       unit.”

6           (2) EFFECTIVE DATE.—The amendment made  
 7       by paragraph (1) shall take effect as if included in  
 8       such section 1317 on the date of the enactment of  
 9       the Tax Reform Act of 1986.

10       (h) CLARIFICATION OF TREATMENT OF MEDICARE  
 11    ENTITLEMENT UNDER COBRA PROVISIONS.—

12           (1) IN GENERAL.—

13               (A)     Subclause     (V)     of     section  
 14       4980B(f)(2)(B)(i) is amended to read as fol-  
 15       lows:

16                       “(V) MEDICARE ENTITLEMENT  
 17                       FOLLOWED BY QUALIFYING EVENT.—

18                       In the case of a qualifying event de-  
 19                       scribed in paragraph (3)(B) that oc-  
 20                       curs less than 18 months after the  
 21                       date the covered employee became en-  
 22                       titled to benefits under title XVIII of  
 23                       the Social Security Act, the period of  
 24                       coverage for qualified beneficiaries  
 25                       other than the covered employee shall

1 not terminate under this clause before  
2 the close of the 36-month period be-  
3 ginning on the date the covered em-  
4 ployee became so entitled.”

5 (B) Clause (v) of section 602(2)(A) of the  
6 Employee Retirement Income Security Act of  
7 1974 is amended to read as follows:

8 “(v) MEDICARE ENTITLEMENT FOL-  
9 LOWED BY QUALIFYING EVENT.—In the  
10 case of a qualifying event described in sec-  
11 tion 603(2) that occurs less than 18  
12 months after the date the covered em-  
13 ployee became entitled to benefits under  
14 title XVIII of the Social Security Act, the  
15 period of coverage for qualified bene-  
16 ficiaries other than the covered employee  
17 shall not terminate under this subpara-  
18 graph before the close of the 36-month pe-  
19 riod beginning on the date the covered em-  
20 ployee became so entitled.”

21 (C) Clause (iv) of section 2202(2)(A) of  
22 the Public Health Service Act is amended to  
23 read as follows:

24 “(iv) MEDICARE ENTITLEMENT FOL-  
25 LOWED BY QUALIFYING EVENT.—In the

1 case of a qualifying event described in sec-  
 2 tion 2203(2) that occurs less than 18  
 3 months after the date the covered em-  
 4 ployee became entitled to benefits under  
 5 title XVIII of the Social Security Act, the  
 6 period of coverage for qualified bene-  
 7 ficiaries other than the covered employee  
 8 shall not terminate under this subpara-  
 9 graph before the close of the 36-month pe-  
 10 riod beginning on the date the covered em-  
 11 ployee became so entitled.”

12 (2) EFFECTIVE DATE.—The amendments made  
 13 by this subsection shall apply to plan years begin-  
 14 ning after December 31, 1989.

15 (i) TREATMENT OF CERTAIN REMIC INCLUSIONS.—

16 (1) IN GENERAL.—Subsection (a) of section  
 17 860E is amended by adding at the end thereof the  
 18 following new paragraph:

19 “(6) COORDINATION WITH MINIMUM TAX.—For  
 20 purposes of part VI of subchapter A of this chap-  
 21 ter—

22 “(A) the reference in section 55(b)(2) to  
 23 taxable income shall be treated as a reference  
 24 to taxable income determined without regard to  
 25 this subsection,

1           “(B) the alternative minimum taxable in-  
2           come of any holder of a residual interest in a  
3           REMIC for any taxable year shall in no event  
4           be less than the excess inclusion for such tax-  
5           able year, and

6           “(C) any excess inclusion shall be dis-  
7           regarded for purposes of computing the alter-  
8           native tax net operating loss deduction.

9           The preceding sentence shall not apply to any orga-  
10          nization to which section 593 applies, except to the  
11          extent provided in regulations prescribed by the Sec-  
12          retary under paragraph (2).”

13          (2) EFFECTIVE DATE.—The amendment made  
14          by paragraph (1) shall take effect as if included in  
15          the amendments made by section 671 of the Tax Re-  
16          form Act of 1986 unless the taxpayer elects to apply  
17          such amendment only to taxable years beginning  
18          after the date of the enactment of this Act.

19          (j) TREATMENT OF CERTAIN CONTRIBUTIONS MADE  
20          PURSUANT TO VETERANS’ REEMPLOYMENT RIGHTS.—

21          (1) IN GENERAL.—Section 414 is amended by  
22          adding at the end the following new subsection:

23          “(u) SPECIAL RULES RELATING TO VETERANS’ RE-  
24          EMPLOYMENT RIGHTS.—

1           “(1) TREATMENT OF CERTAIN REQUIRED CON-  
2       TRIBUTIONS.—If any contribution is made by an  
3       employer under an individual account plan with re-  
4       spect to an employee and such contribution is re-  
5       quired by reason of such employee’s rights under  
6       chapter 43 of title 38, United States Code, resulting  
7       from qualified military service—

8           “(A) such contribution shall not be subject  
9       to any otherwise applicable limitation contained  
10      in section 402(g), 403(b), 404(a), 408, 415, or  
11      457, and

12          “(B) such plan shall not be treated as fail-  
13      ing to meet any requirement of this part or sec-  
14      tion 457 by reason of the making of such con-  
15      tribution and such contribution shall not be  
16      taken into account in applying the limitations  
17      referred to in subparagraph (A) to other con-  
18      tributions.

19      For purposes of the preceding sentence, any addi-  
20      tional elective deferral made under paragraph (2)  
21      shall be treated as an employer contribution required  
22      by reason of the employee’s rights under such chap-  
23      ter 43.

24           “(2) REEMPLOYMENT RIGHTS WITH RESPECT  
25      TO ELECTIVE DEFERRALS.—



1           “(A) IN GENERAL.—If an employee is enti-  
2           tled to the benefits of chapter 43 of title 38,  
3           United States Code, with respect to any plan  
4           which provides for elective deferrals, such em-  
5           ployer shall be treated as meeting the require-  
6           ments of such chapter 43 with respect to such  
7           elective deferrals if such employer—

8                   “(i) permits such employee to make  
9                   additional elective deferrals under such  
10                  plan (in the amount determined under sub-  
11                  paragraph (B)) during the period (not  
12                  longer than 5 years) which begins on the  
13                  date of the reemployment and has the  
14                  same length as the period of qualified mili-  
15                  tary service which resulted in such rights,  
16                  and

17                  “(ii) makes a matching contribution  
18                  in respect of any additional elective defer-  
19                  ral made pursuant to clause (i) which  
20                  would have been required had such defer-  
21                  ral actually been made during the period of  
22                  such qualified military service.

23           “(B) AMOUNT OF MAKEUP REQUIRED.—  
24           The amount determined under this subpara-  
25           graph is the maximum amount of elective defer-

1           rals that the individual would have been per-  
2           mitted to make under the plan during his pe-  
3           riod of qualified military service if he had con-  
4           tinued to be employed by the employer during  
5           such period and received compensation at the  
6           same rate as the individual received from the  
7           employer immediately before such qualified  
8           military service. Proper adjustment shall be  
9           made to the amount determined under the pre-  
10          ceding sentence for any elective deferrals actu-  
11          ally made during the period of such qualified  
12          military service.

13                 “(C) ELECTIVE DEFERRAL.—For purposes  
14           of this paragraph, the term ‘elective deferral’  
15           has the meaning given to such term by section  
16           402(g)(3); except that such term shall include  
17           any deferral of compensation under an eligible  
18           deferred compensation plan (as defined in sec-  
19           tion 457(b)).

20                 “(3) CERTAIN RETROACTIVE ADJUSTMENTS  
21           NOT REQUIRED.—Nothing in chapter 43 of title 38,  
22           United States Code, shall be construed as requir-  
23           ing—

1           “(A) any crediting of earnings to an em-  
2           ployee with respect to any contribution before  
3           such contribution is actually made, or

4           “(B) any allocation with respect to the pe-  
5           riod of qualified military service of any of the  
6           following amounts—

7                   “(i) any forfeiture,

8                   “(ii) any employer contribution which  
9                   was voluntary, and

10                   “(iii) any employer contribution the  
11                   total amount of which was determined  
12                   without reference to the number of, or  
13                   compensation of, plan participants before  
14                   being allocated to the accounts of partici-  
15                   pants.

16           “(4) LOAN REPAYMENT SUSPENSIONS PER-  
17           MITTED.—If any plan suspends the repayment of  
18           any loan made to an individual for the period while  
19           such individual is performing qualified military serv-  
20           ice, such suspension shall not be taken into account  
21           for purposes of section 72(p).

22           “(5) QUALIFIED MILITARY SERVICE.—For pur-  
23           poses of this subsection, the term ‘qualified military  
24           service’ means any service in the uniformed services  
25           (as defined in chapter 43 of title 38, United States

1 Code) by any individual if such individual is entitled  
2 to reemployment rights under such chapter 43, with  
3 respect to such service.

4 “(6) INDIVIDUAL ACCOUNT PLAN.—For pur-  
5 poses of this subsection, the term ‘individual account  
6 plan’ means any defined contribution plan and any  
7 eligible deferred compensation plan (as defined in  
8 section 457(b)).

9 “(7) REFERENCES.—Any reference in this sub-  
10 section to chapter 43 of title 38 of the United States  
11 Code shall be treated as a reference to such chapter  
12 as in effect on the day after the date of the enact-  
13 ment of a law passed by the 103d Congress which  
14 amends chapter 43 of title 38 of the United States  
15 Code to expressly provide pension rights for reem-  
16 ployed veterans.”

17 (2) EFFECTIVE DATE.—The amendment made  
18 by paragraph (1) shall apply in cases where the em-  
19 ployee is reemployed on or after August 1, 1990, but  
20 only if there is enacted a law passed by the 103d  
21 Congress which amends chapter 43 of title 38 of the  
22 United States Code to expressly provide pension  
23 rights for reemployed veterans.

24 (k) EXEMPTION FROM HARBOR MAINTENANCE TAX  
25 FOR CERTAIN PASSENGERS.—

1           (1) IN GENERAL.—Subparagraph (D) of section  
2       4462(b)(1) (relating to special rule for Alaska, Ha-  
3       waii, and possessions) is amended by inserting be-  
4       fore the period the following: “, or passengers trans-  
5       ported on United States flag vessels operating solely  
6       within the State waters of Alaska or Hawaii and ad-  
7       jacent international waters”.

8           (2) EFFECTIVE DATE.—The amendment made  
9       by paragraph (1) shall take effect as if included in  
10      the amendments made by section 1402(a) of the  
11      Harbor Maintenance Revenue Act of 1986.

12      (l) TREATMENT OF CERTAIN RIC OR REIT REORGA-  
13      NIZATIONS.—

14           (1) Subsection (a) of section 852 is amended by  
15      adding at the end thereof the following new sen-  
16      tence: “An investment company shall be treated as  
17      failing to meet the requirements of paragraph (2) if,  
18      by reason of any transaction occurring after Janu-  
19      ary 5, 1993, such investment company is required to  
20      take into account earnings and profits accumulated  
21      by any other corporation unless the provisions of  
22      this part applied to such other corporation for all of  
23      its taxable years ending on or after November 8,  
24      1983, or no portion of such earnings and profits  
25      were accumulated in a taxable year to which the pro-

visions of this part (or the corresponding provisions of prior law) did not apply to such other corporation.”.

(2) Subsection (a) of section 857 is amended by adding at the end thereof the following new sentence: “A real estate investment trust shall be treated as failing to meet the requirements of paragraph (3) if, by reason of any transaction occurring after January 5, 1993, such real estate investment trust is required to take into account earnings and profits accumulated by any other corporation unless the provisions of this part applied to such other corporation for all of its taxable years beginning after February 28, 1986, or no portion of such earnings and profits were accumulated in a non-REIT year of such other corporation.”.

(m) AMENDMENTS RELATED TO REVENUE PROVISIONS OF ENERGY POLICY ACT OF 1992.—

(1) Subclause (II) of section 53(d)(1)(B)(iv) is amended to read as follows:

“(II) the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year increased in the manner provided in clause (iii).”

1           (2) Subsection (g) of section 179A is redesignig-  
2           nated as subsection (f).

3           (n) MISCELLANEOUS CLERICAL AMENDMENTS.—

4           (1) Subclause (II) of section 56(g)(4)(C)(ii) is  
5           amended by striking “of the subclause” and insert-  
6           ing “of subclause”.

7           (2) Paragraph (2) of section 72(m) is amended  
8           by inserting “and” at the end of subparagraph (A),  
9           by striking subparagraph (B), and by redesignating  
10          subparagraph (C) as subparagraph (B).

11          (3) Paragraph (2) of section 86(b) is amended  
12          by striking “adusted” and inserting “adjusted”.

13          (4)(A) The heading for section 112 is amended  
14          by striking “**COMBAT PAY**” and inserting  
15          “**COMBAT ZONE COMPENSATION**”.

16          (B) The item relating to section 112 in the  
17          table of sections for part III of subchapter B of  
18          chapter 1 is amended by striking “combat pay” and  
19          inserting “combat zone compensation”.

20          (C) Paragraph (1) of section 3401(a) is amend-  
21          ed by striking “combat pay” and inserting “combat  
22          zone compensation”.

23          (5) Clause (i) of section 172(h)(3)(B) is amend-  
24          ed by striking the comma at the end thereof and in-  
25          serting a period.

1           (6) Clause (ii) of section 543(a)(2)(B) is  
2 amended by striking “section 563(c)” and inserting  
3 “section 563(d)”.

4           (7) Paragraph (1) of section 958(a) is amended  
5 by striking “sections 955(b)(1)(A) and (B),  
6 955(c)(2)(A)(ii), and 960(a)(1)” and inserting “sec-  
7 tion 960(a)(1)”.

8           (8) Subparagraph (B) of section 4092(b)(1) is  
9 amended by striking “or” at the end of clause (i).

10          (9) Subsection (g) of section 642 is amended by  
11 striking “under 2621(a)(2)” and inserting “under  
12 section 2621(a)(2)”.

13          (10) Section 1463 is amended by striking “this  
14 subsection” and inserting “this section”.

15          (11) Subsection (k) of section 3306 is amended  
16 by inserting a period at the end thereof.

17          (12) The item relating to section 4472 in the  
18 table of sections for subchapter B of chapter 36 is  
19 amended by striking “and special rules”.

20          (13) Paragraph (2) of section 4978(b) is  
21 amended by striking the period at the end of sub-  
22 paragraph (A) and inserting a comma, and by strik-  
23 ing the period and quotation marks at the end of  
24 subparagraph (B) and inserting a comma.



1           (14) Paragraph (3) of section 5134(c) is  
2           amended by striking “section 6662(a)” and inserting  
3           “section 6665(a)”.

4           (15) Paragraph (2) of section 5206(f) is  
5           amended by striking “section 5(e)” and inserting  
6           “section 105(e)”.

7           (16) Paragraph (1) of section 6050B(c) is  
8           amended by striking “section 85(c)” and inserting  
9           “section 85(b)”.

10          (17) Subsection (k) of section 6166 is amended  
11          by striking paragraph (6).

12          (18) Subsection (e) of section 6214 is amended  
13          to read as follows:

14          “(e) CROSS REFERENCE.—  
              **“For provision giving Tax Court jurisdiction to  
              order a refund of an overpayment and to award  
              sanctions, see section 6512(b)(2).”**

15          (19) The section heading for section 6043 is  
16          amended by striking the semicolon and inserting a  
17          comma.

18          (20) The item relating to section 6043 in the  
19          table of sections for subpart B of part III of sub-  
20          chapter A of chapter 61 is amended by striking the  
21          semicolon and inserting a comma.

22          (21) The table of sections for part I of sub-  
23          chapter A of chapter 68 is amended by striking the  
24          item relating to section 6662.

1 (22)(A) Section 7232 is amended—

2 (i) by striking “**LUBRICATING OIL**,”  
3 in the heading, and

4 (ii) by striking “lubricating oil,” in the  
5 text.

6 (B) The table of sections for part II of sub-  
7 chapter A of chapter 75 is amended by striking “lu-  
8 bricating oil,” in the item relating to section 7232.

9 (23) Paragraph (1) of section 6701(a) of the  
10 Omnibus Budget Reconciliation Act of 1989 is  
11 amended by striking “subclause (IV)” and inserting  
12 “subclause (V)”.

13 (24) Clause (ii) of section 7304(a)(2)(D) of  
14 such Act is amended by striking “subsection (c)(2)”  
15 and inserting “subsection (c)”.

16 (25) Paragraph (1) of section 7646(b) of such  
17 Act is amended by striking “section 6050H(b)(1)”  
18 and inserting “section 6050H(b)(2)”.

19 (26) Paragraph (10) of section 7721(c) of  
20 such Act is amended by striking “section  
21 6662(b)(2)(C)(ii)” and inserting “section  
22 6661(b)(2)(C)(ii)”.

23 (27) Subparagraph (A) of section 7811(i)(3) of  
24 such Act is amended by inserting “the first place it  
25 appears” before “in clause (i)”.

1           (28) Paragraph (10) of section 7841(d) of  
2           such Act is amended by striking “section 381(a)”  
3           and inserting “section 381(c)”.

4           (29) Paragraph (2) of section 7861(c) of such  
5           Act is amended by inserting “the second place it ap-  
6           pears” before “and inserting”.

7           (30) Paragraph (1) of section 460(b) is amend-  
8           ed by striking “the look-back method of paragraph  
9           (3)” and inserting “the look-back method of para-  
10          graph (2)”.

11          (31) The heading for paragraph (2) of section  
12          6427(b) is amended by striking “3-CENT” and in-  
13          serting “3.1-CENT”.

14          (32) Subparagraph (C) of section 50(a)(2) is  
15          amended by striking “subsection (c)(4)” and insert-  
16          ing “subsection (d)(5)”.

17          (33) Subparagraph (B) of section 172(h)(4) is  
18          amended by striking the material following the head-  
19          ing and preceding clause (i) and inserting “For pur-  
20          poses of subsection (b)(2)—”.

21          (34) Subparagraph (A) of section 355(d)(7) is  
22          amended by inserting “section” before “267(b)”.

23          (35) Subparagraph (C) of section 420(e)(1) is  
24          amended by striking “mean” and inserting “means”.

1           (36) Paragraph (4) of section 537(b) is amend-  
2       ed by striking “section 172(i)” and inserting “sec-  
3       tion 172(f)”.

4           (37) Subparagraph (B) of section 613(e)(1) is  
5       amended by striking the comma at the end thereof  
6       and inserting a period.

7           (38) Paragraph (4) of section 856(a) is amend-  
8       ed by striking “section 582(c)(5)” and inserting  
9       “section 582(c)(2)”.

10          (39)       Sections       904(f)(2)(B)(i)       and  
11       907(c)(4)(B)(iii) are each amended by inserting “(as  
12       in effect on the day before the date of the enactment  
13       of the Revenue Reconciliation Act of 1990)” after  
14       “section 172(h)”.

15          (40) Subsection (b) of section 936 is amended  
16       by striking “subparagraphs (D)(ii)(I)” and inserting  
17       “subparagraphs (D)(ii)”.

18          (41) Subsection (c) of section 2104 is amended  
19       by striking “subparagraph (A), (C), or (D) of sec-  
20       tion 861(a)(1)” and inserting “section  
21       861(a)(1)(A)”.

22          (42) Paragraph (1) of section 5002(b) is  
23       amended by striking “section 5041(c)” and inserting  
24       “section 5041(d)”.

1           (43) Section 6038 is amended by redesignating  
2           the subsection relating to cross references as sub-  
3           section (f).

4           (44) Clause (iv) of section 6103(e)(1)(A) is  
5           amended by striking all that follows “provisions of”  
6           and inserting “section 1(g) or 59(j);”.

7           (45) The subsection (f) of section 6109 of the  
8           Internal Revenue Code of 1986 which was added by  
9           section 2201(d) of Public Law 101-624 is redesi-  
10          gnated as subsection (g).

11          (46) Subsection (b) of section 7454 is amended  
12          by striking “section 4955(e)(2)” and inserting “sec-  
13          tion 4955(f)(2)”.

14          (47) Subsection (d) of section 11231 of the  
15          Revenue Reconciliation Act of 1990 shall be applied  
16          as if “comma” appeared instead of “period” and as  
17          if the paragraph (9) proposed to be added ended  
18          with a comma.

19          (48) Paragraph (1) of section 11303(b) of the  
20          Revenue Reconciliation Act of 1990 shall be applied  
21          as if “paragraph” appeared instead of “subpara-  
22          graph” in the material proposed to be stricken.

23          (49) Subsection (f) of section 11701 of the Rev-  
24          enue Reconciliation Act of 1990 is amended by in-

1       serting “(relating to definitions)” after “section  
2       6038(e)”.

3           (50) Subsection (i) of section 11701 of the Rev-  
4       enue Reconciliation Act of 1990 shall be applied as  
5       if “subsection” appeared instead of “section” in the  
6       material proposed to be stricken.

7           (51) Subparagraph (B) of section 11801(c)(2)  
8       of the Revenue Reconciliation Act of 1990 shall be  
9       applied as if “section 56(g)” appeared instead of  
10      “section 59(g)”.

11          (52) Subparagraph (C) of section 11801(c)(8)  
12      of the Revenue Reconciliation Act of 1990 shall be  
13      applied as if “reorganizations” appeared instead of  
14      “reorganization” in the material proposed to be  
15      stricken.

16          (53) Subparagraph (H) of section 11801(c)(9)  
17      of the Revenue Reconciliation Act of 1990 shall be  
18      applied as if “section 1042(c)(1)(B)” appeared in-  
19      stead of “section 1042(c)(2)(B)”.

20          (54) Subparagraph (F) of section 11801(c)(12)  
21      of the Revenue Reconciliation Act of 1990 shall be  
22      applied as if “and (3)” appeared instead of “and  
23      (E)”.

24          (55) Subparagraph (A) of section 11801(c)(22)  
25      of the Revenue Reconciliation Act of 1990 shall be

1 applied as if “chapters 21” appeared instead of  
2 “chapter 21” in the material proposed to be stricken.  
3

4 (56) Paragraph (3) of section 11812(b) of the  
5 Revenue Reconciliation Act of 1990 shall be applied  
6 by not executing the amendment therein to the  
7 heading of section 42(d)(5)(B).

8 (57) Clause (i) of section 11813(b)(9)(A) of the  
9 Revenue Reconciliation Act of 1990 shall be applied  
10 as if a comma appeared after “(3)(A)(ix)” in the  
11 material proposed to be stricken.

12 (58) Subparagraph (F) of section 11813(b)(13)  
13 of the Revenue Reconciliation Act of 1990 shall be  
14 applied as if “tax” appeared after “investment” in  
15 the material proposed to be stricken.

16 (59) Paragraph (19) of section 11813(b) of the  
17 Revenue Reconciliation Act of 1990 shall be applied  
18 as if “Paragraph (20) of section 1016(a), as redesignated by section 11801,” appeared instead of “Paragraph (21) of section 1016(a)”.

21 (60) Paragraph (5) section 8002(a) of the Surface  
22 Transportation Revenue Act of 1991 shall be  
23 applied as if “4481(e)” appeared instead of  
24 “4481(c)”.

1 **TITLE II—INCOME SECURITY**  
2 **AND HUMAN RESOURCE**  
3 **AMENDMENTS**

4 **Subtitle A—Amendments Relating**  
5 **to Old-Age, Survivors, and Dis-**  
6 **ability Insurance Program**

7 **SEC. 201. TECHNICAL CORRECTIONS RELATED TO OASDI**  
8 **IN THE OMNIBUS BUDGET RECONCILIATION**  
9 **ACT OF 1990.**

10 (a) AMENDMENTS RELATED TO PROVISIONS IN SEC-  
11 TION 5103(b) RELATING TO DISABLED WIDOWS.—Sec-  
12 tion 223(f)(2) of the Social Security Act (42 U.S.C.  
13 423(f)(2)) is amended—

14 (1) in subparagraph (A), by striking “(in a case  
15 to which clause (ii)(II) does not apply)”; and

16 (2) by striking subparagraph (B)(ii) and insert-  
17 ing the following:

18 “(ii) the individual is now able to en-  
19 gage in substantial gainful activity; or”.

20 (b) AMENDMENTS RELATED TO PROVISIONS IN SEC-  
21 TION 5105(d) RELATING TO REPRESENTATIVE PAY-  
22 EES.—Section 5105(d)(1)(A) of the Omnibus Budget  
23 Reconciliation Act of 1990 (Public Law 101–508) is  
24 amended—



1 (1) by striking “Section 205(j)(5)” and insert-  
2 ing “Section 205(j)(6)”; and

3 (2) by redesignating the paragraph (5) as  
4 amended thereby as paragraph (6).

5 (c) AMENDMENTS RELATED TO PROVISIONS IN SEC-  
6 TION 5106 RELATING TO COORDINATION OF RULES  
7 UNDER TITLES II AND XVI GOVERNING FEES FOR REP-  
8 RESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS  
9 UNDER BOTH TITLES.—

10 (1) CALCULATION OF FEE OF CLAIMANT’S REP-  
11 RESENTATIVE BASED ON AMOUNT OF PAST-DUE  
12 SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER  
13 APPLICATION OF WINDFALL OFFSET PROVISION.—  
14 Section 1631(d)(2)(A)(i) of the Social Security Act  
15 (as amended by section 5106(a)(2) of the Omnibus  
16 Budget Reconciliation Act of 1990) (42 U.S.C.  
17 1383(d)(2)(A)(i)) is amended to read as follows:

18 “(i) by substituting, in subparagraphs (A)(ii)(I)  
19 and (C)(i), the phrase ‘(as determined before any  
20 applicable reduction under section 1631(g), and re-  
21 duced by the amount of any reduction in benefits  
22 under this title or title II made pursuant to section  
23 1127(a))’ for the parenthetical phrase contained  
24 therein; and”.

1           (2) CALCULATION OF PAST-DUE BENEFITS FOR  
2           PURPOSES OF DETERMINING ATTORNEY FEES IN JU-  
3           DICIAL PROCEEDINGS.—

4           (A) IN GENERAL.—Section 206(b)(1) of  
5           such Act (42 U.S.C. 406(b)(1)) is amended—

6                     (i) by inserting “(A)” after “(b)(1)”;

7                     and

8                     (ii) by adding at the end the following  
9           new subparagraph:

10          “(B) For purposes of this paragraph—

11                   “(i) the term ‘past-due benefits’ excludes any  
12           benefits with respect to which payment has been  
13           continued pursuant to subsection (g) or (h) of sec-  
14           tion 223, and

15                   “(ii) amounts of past-due benefits shall be  
16           taken into account to the extent provided under the  
17           rules applicable in cases before the Secretary.”.

18           (B) PROTECTION FROM OFFSETTING SSI  
19           BENEFITS.—The last sentence of section  
20           1127(a) of such Act (as added by section  
21           5106(b) of the Omnibus Budget Reconciliation  
22           Act of 1990) (42 U.S.C. 1320a–6(a)) is amend-  
23           ed by striking “section 206(a)(4)” and inserting  
24           “subsection (a)(4) or (b) of section 206”.

1           (3) APPLICATION OF SINGLE DOLLAR AMOUNT  
2           CEILING TO CONCURRENT CLAIMS UNDER TITLES II  
3           AND XVI.—

4           (A) IN GENERAL.—Section 206(a)(2) of  
5           such Act (as amended by section 5106(a)(1) of  
6           the Omnibus Budget Reconciliation Act of  
7           1990) (42 U.S.C. 406(a)(2)) is amended—

8                   (i) by redesignating subparagraph (C)  
9                   as subparagraph (D); and

10                   (ii) by inserting after subparagraph

11                   (B) the following new subparagraph:

12           “(C) In any case involving—

13                   “(i) an agreement described in subparagraph  
14                   (A) with any person relating to both a claim of enti-  
15                   tlement to past-due benefits under this title and a  
16                   claim of entitlement to past-due benefits under title  
17                   XVI, and

18                   “(ii) a favorable determination made by the  
19                   Secretary with respect to both such claims,  
20           the Secretary may approve such agreement only if the  
21           total fee or fees specified in such agreement does not ex-  
22           ceed, in the aggregate, the dollar amount in effect under  
23           subparagraph (A) (ii) (II).”.

24           (B) CONFORMING AMENDMENT.—Section  
25           206(a)(3)(A) of such Act (as amended by sec-

1           tion 5106(a)(1) of the Omnibus Budget Rec-  
 2           conciliation Act of 1990) (42 U.S.C.  
 3           406(a)(3)(A)) is amended by striking “para-  
 4           graph (2)(C)” and inserting “paragraph  
 5           (2)(D)”.

6           (d) AMENDMENT RELATED TO PROVISIONS IN SEC-  
 7           TION 5115 RELATING TO ADVANCE TAX TRANSFERS.—  
 8           Section 201(a) of the Social Security Act (42 U.S.C.  
 9           401(a)) is amended in the last sentence by striking “and”  
 10          the second place it appears.

11          (e) EFFECTIVE DATE.—Each amendment made by  
 12          this section shall take effect as if included in the provisions  
 13          of the Omnibus Budget Reconciliation Act of 1990 to  
 14          which such amendment relates.

15   **SEC. 202. ELIMINATION OF ROUNDING DISTORTION IN THE**  
 16                           **CALCULATION OF THE OLD-AGE, SURVIVORS,**  
 17                           **AND DISABILITY INSURANCE CONTRIBUTION**  
 18                           **AND BENEFIT BASE, THE EARNINGS TEST EX-**  
 19                           **EMPT AMOUNTS, AND THE HOSPITAL INSUR-**  
 20                           **ANCE TAX CONTRIBUTION BASE.**

21          (a) ADJUSTMENT OF OASDI CONTRIBUTION AND  
 22          BENEFIT BASE.—

23                  (1) IN GENERAL.—Section 230(b) of the Social  
 24          Security Act (42 U.S.C. 430(b)) is amended by

1 striking paragraphs (1) and (2) and inserting the  
2 following:

3 “(1) \$57,600, and

4 “(2) the ratio of (A) the deemed average total  
5 wages (as defined in section 209(k)(1)) for the cal-  
6 endar year before the calendar year in which the de-  
7 termination under subsection (a) is made to (B) the  
8 deemed average total wages (as so defined) for  
9 1991,”.

10 (2) CONFORMING AMENDMENT RELATING TO  
11 APPLICABLE PRIOR LAW.—Section 230(d) of such  
12 Act (42 U.S.C. 430(d)) is amended by striking “(ex-  
13 cept that” and all that follows through the end and  
14 inserting “(except that, for purposes of subsection  
15 (b) of such section 230 as so in effect, the reference  
16 to the contribution and benefit base in paragraph  
17 (1) of such subsection (b) shall be deemed a ref-  
18 erence to an amount equal to \$42,900, each ref-  
19 erence in paragraph (2) of such subsection (b) to the  
20 average of the wages of all employees as reported to  
21 the Secretary of the Treasury shall be deemed a ref-  
22 erence to the deemed average total wages (as defined  
23 in section 209(k)(1)), the reference to a preceding  
24 calendar year in paragraph (2)(A) of such sub-  
25 section (b) shall be deemed a reference to the cal-

1       endar year before the calendar year in which the de-  
2       termination under subsection (a) of such section 230  
3       is made, and the reference to a calendar year in  
4       paragraph (2)(B) of such subsection (b) shall be  
5       deemed a reference to 1991).”.

6               (3) ADJUSTMENT OF CONTRIBUTION AND BEN-  
7       EFIT BASE APPLICABLE IN DETERMINING YEARS OF  
8       COVERAGE FOR PURPOSES OF SPECIAL MINIMUM  
9       PRIMARY       INSURANCE       AMOUNT.—Section  
10       215(a)(1)(C)(ii) of such Act is amended by striking  
11       “(except that” and all that follows through the end  
12       and inserting “(except that, for purposes of sub-  
13       section (b) of such section 230 as so in effect, the  
14       reference to the contribution and benefit base in  
15       paragraph (1) of such subsection (b) shall be  
16       deemed a reference to an amount equal to \$42,900,  
17       each reference in paragraph (2) of such subsection  
18       (b) to the average of the wages of all employees as  
19       reported to the Secretary of the Treasury shall be  
20       deemed a reference to the deemed average total  
21       wages (as defined in section 209(k)(1)), the ref-  
22       erence to a preceding calendar year in paragraph  
23       (2)(A) of such subsection (b) shall be deemed a ref-  
24       erence to the calendar year before the calendar year  
25       in which the determination under subsection (a) of

1 such section 230 is made, and the reference to a cal-  
2 endar year in paragraph (2)(B) of such subsection  
3 (b) shall be deemed a reference to 1991).”.

4 (b) ADJUSTMENT OF EARNINGS TEST EXEMPT  
5 AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security  
6 Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as  
7 follows:

8 “(ii) the product of the corresponding ex-  
9 empt amount which is in effect with respect to  
10 months in the taxable year ending after 1992  
11 and before 1994, and the ratio of—

12 “(I) the deemed average total wages  
13 (as defined in section 209(k)(1)) for the  
14 calendar year before the calendar year in  
15 which the determination under subpara-  
16 graph (A) is made, to

17 “(II) the deemed average total wages  
18 (as so defined) for 1991,

19 with such product, if not a multiple of \$10,  
20 being rounded to the next higher multiple of  
21 \$10 where such product is a multiple of \$5 but  
22 not of \$10 and to the nearest multiple of \$10  
23 in any other case.”.

24 (c) COMPUTATION OF ADJUSTMENT OF HEATH IN-  
25 SURANCE TAX CONTRIBUTION BASE.—Paragraph (2) of

1 section 3121(x) of the Internal Revenue Code of 1986 (re-  
2 lating to hospital insurance contribution base) is amended  
3 to read as follows:

4 “(2) HOSPITAL INSURANCE.—For purposes of  
5 the taxes imposed by sections 3101(b) and 3111(b),  
6 the applicable contribution base for any calendar  
7 year is the product of—

8 “(A) \$135,000, and

9 “(B) the ratio of (i) the deemed average  
10 total wages (as defined in section 209(k)(1) of  
11 the Social Security Act) for the second preced-  
12 ing calendar year to (ii) the deemed average  
13 total wages (as so defined) for 1991.

14 If the amount determined under the preceding sen-  
15 tence is not a multiple of \$300, such amount shall  
16 be rounded to the nearest multiple of \$300. In no  
17 event shall the applicable contribution base for a cal-  
18 endar year determined under this paragraph be less  
19 than such applicable contribution base for the pre-  
20 ceding calendar year.”

21 (d) EFFECTIVE DATES.—

22 (1) The amendments made by subsection (a)  
23 shall be effective with respect to the determination  
24 of the contribution and benefit base for years after  
25 1993.



1           (2) The amendment made by subsection (b)  
 2       shall be effective with respect to the determination  
 3       of the exempt amounts applicable to any taxable  
 4       year ending after 1993.

5           (3) The amendment made by subsection (c)  
 6       shall be effective with respect to the determination  
 7       of the applicable contribution base for years after  
 8       1993.

## 9           **Subtitle B—Human Resources** 10           **Provisions**

### 11   **SEC. 211. CORRECTIONS RELATED TO THE INCOME SECU-** 12           **RITY AND HUMAN RESOURCES PROVISIONS** 13           **OF THE OMNIBUS BUDGET RECONCILIATION** 14           **ACT OF 1990.**

15       (a) AMENDMENT RELATED TO SECTION  
 16   5035(a)(2).—Section 5035(a)(2) of the Omnibus Budget  
 17   Reconciliation Act of 1990 (Public Law 101–508) is  
 18   amended by striking “a semicolon” and inserting “ ‘; and’  
 19   ”.

20       (b) REPEAL OF PROVISION INADVERTENTLY IN-  
 21   CLUDED.—Section 5057 of the Omnibus Budget Rec-  
 22   onciliation Act of 1990 (Public Law 101–508), and the  
 23   amendment made by such section, are hereby repealed,  
 24   and section 1139(d) of the Social Security Act shall be

1 applied and administered as if such section 5057 had  
2 never been enacted.

3 (c) AMENDMENT RELATED TO SECTION  
4 5105(d)(1)(B).—Section 5105(d)(1)(B) of the Omnibus  
5 Budget Reconciliation Act of 1990 (Public Law 101–508;  
6 104 Stat. 1388–266) is amended to read as follows:

7 “(B) TITLE XVI.—Section 1631(a)(2)(F)  
8 (42 U.S.C. 1383(a)(2)(F)), as so redesignated  
9 by subsection (c)(2) of this section, is amended  
10 to read as follows:

11 ““(F) The Secretary shall include as a part of the  
12 annual report required under section 704 information with  
13 respect to the implementation of the preceding provisions  
14 of this paragraph, including—

15 ““(i) the number of cases in which the rep-  
16 resentative payee was changed;

17 ““(ii) the number of cases discovered where  
18 there has been a misuse of funds;

19 ““(iii) how any such cases were dealt with by  
20 the Secretary;

21 ““(iv) the final disposition of such cases (in-  
22 cluding any criminal penalties imposed); and

23 ““(v) such other information as the Secretary  
24 determines to be appropriate.’”.

1 (d) AMENDMENT RELATED TO SECTION  
2 5105(a)(1)(B).—The second paragraph of section 1631(a)  
3 of the Social Security Act (42 U.S.C. 1383(a)) is amended  
4 by striking “(A)(i) Payments” and inserting “(2)(A)(i)  
5 Payments”.

6 (e) AMENDMENTS RELATED TO SECTION 5105(b).—  
7 Section 1631(a)(2)(C) of the Social Security Act (42  
8 U.S.C. 1383(a)(2)(C)) is amended—

9 (1) by striking clause (ii);

10 (2) by redesignating clauses (iii), (iv), and (v)  
11 as clauses (ii), (iii), and (iv), respectively; and

12 (3) in clause (iv) (as so redesignated), by strik-  
13 ing “(iii), and (iv)” and inserting “and (iii)”.

14 (f) AMENDMENTS RELATED TO SECTION  
15 5107(a)(2)(B).—Section 1631(c)(1)(B) of the Social Se-  
16 curity Act (42 U.S.C. 1383(c)(1)(B)) is amended by strik-  
17 ing “paragraph (1)” each place such term appears and  
18 inserting “subparagraph (A)”.

19 (g) AMENDMENT RELATED TO SECTION  
20 5109(a)(2).—Section 1631 of the Social Security Act (42  
21 U.S.C. 1383) is amended by redesignating the subsection  
22 (n) added by section 5109(a)(2) of the Omnibus Budget  
23 Reconciliation Act of 1990, as subsection (o).

24 (h) AMENDMENTS RELATED TO SECTION  
25 11115(b)(2).—Section 11115(b)(2) of the Omnibus Budg-

1 et Reconciliation Act of 1990 (Public Law 101–508) is  
2 amended—

3 (1) in subparagraph (A), by striking “para-  
4 graph (8)” and inserting “paragraph (9)”;

5 (2) in subparagraph (B), by striking “para-  
6 graph (9)” and inserting “paragraph (10)”; and

7 (3) in subparagraph (C), by redesignating the  
8 new paragraph added thereby as paragraph (11).

9 (i) AMENDMENT RELATED TO SECTION  
10 13101(d)(2).—Section 256(k)(2)(A) of the Balanced  
11 Budget and Emergency Deficit Control Act of 1985 is  
12 amended—

13 (1) by striking “—” the second place it appears  
14 and all that follows through “(I)”; and

15 (2) by striking “; or” and all that follows  
16 through “(II)” and inserting “, except that a State  
17 may not be allotted an amount under this subpara-  
18 graph that exceeds”.

19 (j) EFFECTIVE DATE.—Each amendment made by  
20 this section shall take effect as if included in the provision  
21 of the Omnibus Budget Reconciliation Act of 1990 to  
22 which the amendment relates at the time such provision  
23 became law.

1 **SEC. 212. TECHNICAL CORRECTIONS RELATED TO THE**  
2 **HUMAN RESOURCE AND INCOME SECURITY**  
3 **PROVISIONS OF OMNIBUS BUDGET REC-**  
4 **ONCILIATION ACT OF 1989.**

5 (a) AMENDMENT RELATING TO SECTION 8004(a).—  
6 Section 408(m)(2)(A) of the Social Security Act (42  
7 U.S.C. 608(m)(2)(A)) is amended by striking “a fiscal”  
8 and inserting “the fiscal”.

9 (b) AMENDMENT RELATING TO SECTION 8006(a).—  
10 Section 473(a)(6)(B) of such Act (42 U.S.C.  
11 673(a)(6)(B)) is amended by striking “474(a)(3)(B)” and  
12 inserting “474(a)(3)(C)”.

13 (c) AMENDMENT RELATING TO SECTION  
14 8007(b)(3).—Subparagraph (D) of section 475(5) of such  
15 Act (42 U.S.C. 675(5)(D)) is amended by moving such  
16 subparagraph 2 ems to the right so that the left margin  
17 of such subparagraph is aligned with the left margin of  
18 subparagraph (C) of such section.

19 (d) EFFECTIVE DATE.—Each amendment made by  
20 this section shall take effect as if the amendment had been  
21 included in the provision of the Omnibus Budget Rec-  
22 onciliation Act of 1989 to which the amendment relates,  
23 at the time the provision became law.

1 **SEC. 213. ELIMINATION OF OBSOLETE PROVISIONS RELAT-**  
 2 **ING TO TREATMENT OF THE EARNED IN-**  
 3 **COME TAX CREDIT.**

4 (a) TREATMENT OF EITC AS EARNED INCOME.—  
 5 Section 1612(a)(1) of the Social Security Act (42 U.S.C.  
 6 1382a(a)(1)) is amended by striking subparagraph (C)  
 7 and by redesignating subparagraphs (D) and (E) as sub-  
 8 paragraphs (C) and (D), respectively.

9 (b) ADJUSTMENT OF BENEFITS DUE TO TREAT-  
 10 MENT OF EITC AS EARNED INCOME.—Section 1631(b)  
 11 of such Act (42 U.S.C. 1383(b)) is amended by striking  
 12 paragraph (3) and by redesignating paragraphs (4) and  
 13 (5) as paragraphs (3) and (4), respectively.

14 **SEC. 214. REDESIGNATION OF CERTAIN PROVISIONS.**

15 Section 1631(e)(6) of the Social Security Act (42  
 16 U.S.C. 1383(e)(6)) is amended by redesignating subpara-  
 17 graphs (1) and (2) as subparagraphs (A) and (B), respec-  
 18 tively.

19 **TITLE III—TARIFF AND**  
 20 **CUSTOMS**

21 **SEC. 301. TECHNICAL AMENDMENTS TO THE HARMONIZED**  
 22 **TARIFF SCHEDULE OF THE UNITED STATES.**

23 (a) IN GENERAL.—The Harmonized Tariff Schedule  
 24 of the United States is amended as follows:

25 (1) TAPESTRY AND UPHOLSTERY FABRICS.—

26 The article description for subheading 5112.19.20 is

1 amended by striking “of a weight exceeding  
2 300 g/m<sup>2</sup>”.

3 (2) GLOVES.—

4 (A) Chapter 61 is amended by redesignat-  
5 ing subheading 6116.10.45 as subheading  
6 6116.10.48.

7 (B) Chapter 62 is amended by striking the  
8 superior text “Other:” that appears between  
9 subheadings 6216.00.46 and 6216.00.52.

10 (3) AGGLOMERATE STONE FLOOR AND WALL  
11 TILES.—The article description for subheading  
12 6810.19.12 is amended to read as follows: “Of stone  
13 agglomerated with binders other than cement”.

14 (4) 2,4-DIAMINOBENZENESULFONIC ACID.—  
15 The article description for heading 9902.30.43 is  
16 amended by striking “2921.51.50” and inserting  
17 “2921.59.50”.

18 (5) MACHINES USED IN THE MANUFACTURE OF  
19 BICYCLE PARTS.—The article description for heading  
20 9902.84.79 is amended by striking “8479.89.90”  
21 and inserting “8462.49.00, 8479.89.90 or  
22 9031.80.00”.

23 (6) COPYING MACHINES AND PARTS.—The arti-  
24 cle description for heading 9902.90.90 is amended  
25 by inserting “or 8473.40.40” after “8472.90.80”.

1 (b) STAGED RATE REDUCTIONS FOR GLOVES.—Any  
2 staged reduction of a special rate of duty set forth in sub-  
3 heading 6116.10.45 of such Schedule that takes effect on  
4 or after October 1, 1990, by reason of section 10011(a)(2)  
5 of the Omnibus Budget Reconciliation Act of 1990 shall  
6 apply to the corresponding rate of duty in subheading  
7 6116.10.48 (as redesignated by subsection (a)(2)(A)).

8 (c) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in para-  
10 graph (2), the amendments made by subsection (a)  
11 shall apply with respect to goods entered, or with-  
12 drawn from warehouse for consumption, on or after  
13 the 15th day after the date of the enactment of this  
14 Act.

15 (2) RETROACTIVE APPLICATION FOR CERTAIN  
16 LIQUIDATIONS AND RELIQUIDATIONS.—

17 (A) Notwithstanding section 514 of the  
18 Tariff Act of 1930 or any other provision of  
19 law, upon proper request filed with the appro-  
20 priate customs officer on or before the 90th day  
21 after the date of the enactment of this Act, any  
22 entry—

23 (i) that was made after the applicable  
24 date and before the 15th day after such  
25 date of enactment; and



1 (ii) with respect to which there would  
2 have been a lesser or no duty if any  
3 amendment made by subsection (a) applied  
4 to such entry;  
5 shall be liquidated or reliquidated as though  
6 such amendment applied to such entry.

7 (B) For purposes of this subsection, the  
8 term “applicable date” means—

9 (i) if such amendment is made by sub-  
10 section (a)(3) or (a)(6), December 31,  
11 1988; and

12 (ii) if such amendment is made by  
13 subsection (a)(1), (a)(2), (a)(4), (a)(5),  
14 September 30, 1990.

15 **SEC. 302. CLARIFICATION REGARDING THE APPLICATION**  
16 **OF CUSTOMS USER FEES.**

17 (a) IN GENERAL.—Subparagraph (D) of section  
18 13031(b)(8) of the Consolidated Omnibus Budget Rec-  
19 onciliation Act of 1985 (19 U.S.C. 58c(b)(8)(D)) is  
20 amended—

21 (1) by striking “and” at the end of clause (iv);

22 (2) by striking the period at the end of clause

23 (v) and inserting “; and”; and

24 (3) by inserting after clause (v) the following  
25 new clause:

1           “(vi) in the case of merchandise entered from  
2           a foreign trade zone (other than merchandise to  
3           which clause (v) applies), be applied only to the  
4           value of the privileged or nonprivileged foreign sta-  
5           tus merchandise under section 3 of the Act of June  
6           18, 1934 (commonly known as the Foreign Trade  
7           Zones Act, 19 U.S.C. 81c).”

8           (b) EFFECTIVE DATE.—The amendments made by  
9           subsection (a) apply to—

10           (1) any entry made from a foreign trade zone  
11           on or after the 15th day after the date of the enact-  
12           ment of this Act; and

13           (2) any entry made from a foreign trade zone  
14           after November 30, 1986, and before such 15th day  
15           if the entry was not liquidated before such 15th day.

16           (c) APPLICATION OF FEES TO CERTAIN AGRICUL-  
17           TURAL PRODUCTS.—The amendment made by section  
18           111(b)(2)(D)(iv) of the Customs and Trade Act of 1990  
19           shall apply to—

20           (1) any entry made from a foreign trade zone  
21           on or after the 15th day after the date of the enact-  
22           ment of this Act; and

23           (2) any entry made from a foreign trade zone  
24           after November 30, 1986, and before such 15th day  
25           if the entry was not liquidated before such 15th day.

1 **SEC. 303. TECHNICAL AMENDMENTS TO THE OMNIBUS**  
2 **TRADE AND COMPETITIVENESS ACT OF 1988.**

3 (a) IN GENERAL.—Paragraph (2) of section 1102(a)  
4 of the Omnibus Trade and Competitiveness Act of 1988  
5 (19 U.S.C. 2902(a)(2)) is amended—

6 (1) in subparagraph (A)—

7 (A) by striking “the date of enactment of  
8 this Act” and inserting “January 1, 1989”; and

9 (B) by striking “such date of enactment”  
10 and inserting “January 1, 1989”; and

11 (2) in subparagraph (B), by striking “such date  
12 of enactment” and inserting “January 1, 1989”.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 subsection (a) shall take effect January 1, 1989.

15 (c) CONSTRUCTION.—For purposes of applying the  
16 amendments made by subsection (a), the column 1-general  
17 rate of duty established by any amendment to the Har-  
18 monized Tariff Schedule of the United States that was  
19 enacted after January 1, 1989, shall, if—

20 (1) such amendment has, or is statutorily treat-  
21 ed as having, an effective date of January 1, 1989;  
22 or

23 (2) application for liquidation or reliquidation  
24 at such rate with respect to entries made after De-  
25 cember 31, 1988, and before the effective date of the  
26 amendment, is provided for;

1 be treated as the rate in effect on January 1, 1989.

2 **SEC. 304. TECHNICAL AMENDMENT TO THE CUSTOMS AND**  
3 **TRADE ACT OF 1990.**

4 Subsection (b) of section 484H of the Customs and  
5 Trade Act of 1990 (19 U.S.C. 1553 note) is amended by  
6 striking “, or withdrawn from warehouse for consump-  
7 tion,” and inserting “for transportation in bond”.

8 **SEC. 305. TECHNICAL AMENDMENTS REGARDING CERTAIN**  
9 **BENEFICIARY COUNTRIES.**

10 (a) CARIBBEAN BASIN ECONOMIC RECOVERY ACT.—  
11 Section 213(h)(1) of the Caribbean Basin Economic Re-  
12 covery Act (19 U.S.C. 2703(h)(1)) is amended by adding  
13 at the end thereof the following flush sentence:

14 “The duty reductions provided for under this para-  
15 graph shall not apply to textile and apparel articles  
16 which are subject to textile agreements.”.

17 (b) ANDEAN TRADE PREFERENCE ACT.—Section  
18 204(c)(1) of the Andean Preference Act (19 U.S.C.  
19 3203(c)(1)) is amended by adding at the end thereof the  
20 following flush sentence:

21 “The duty reductions provided for under this para-  
22 graph shall not apply to textile and apparel articles  
23 which are subject to textile agreements.”

24 (c) EFFECTIVE DATE.—The amendments made by  
25 this section apply with respect to—

1 (1) articles entered, or withdrawn from ware-  
 2 house for consumption, on or after the 15th day  
 3 after the date of the enactment of this Act, and

4 (2) articles entered after December 31, 1991,  
 5 and before such 15th day, which are not liquidated  
 6 before such 15th day.

7 **SEC. 306. CLARIFICATION OF FEES FOR CERTAIN CUS-**  
 8 **TOMS SERVICES.**

9 (a) IN GENERAL.—Section 13031(b)(9)(A) of the  
 10 Consolidated Omnibus Budget Reconciliation Act of 1985  
 11 (19 U.S.C. 58c(b)(9)(A)) is amended—

12 (1) by striking “centralized hub facility or” in  
 13 clause (i); and

14 (2) in clause (ii)—

15 (A) by striking “facility—” and inserting  
 16 “facility or centralized hub facility—”,

17 (B) by striking “customs inspectional” in  
 18 subclause (I), and

19 (C) by striking “at the facility” in  
 20 subclause (I) and inserting “for the facility”.

21 (b) DEFINITIONS.—Section 13031(b)(9)(B)(i) of the  
 22 Consolidated Omnibus Budget Reconciliation Act of 1985  
 23 (19 U.S.C. 58c(b)(9)(B)(i)) is amended—

24 (1) by striking “, as in effect on July 30,  
 25 1990”, and

1           (2) by adding at the end thereof the following  
 2           new sentence: “Nothing in this paragraph shall be  
 3           construed as prohibiting the Secretary of the Treas-  
 4           ury from processing merchandise that is informally  
 5           entered or released at any centralized hub facility or  
 6           express consignment carrier facility during the nor-  
 7           mal operating hours of the Customs Service, subject  
 8           to reimbursement and payment under subparagraph  
 9           (A).”.

10          (c) CITATION.—Section 13031(b)(9)(B)(ii) of the  
 11 Consolidated Omnibus Budget Reconciliation Act of 1985  
 12 (19 U.S.C. 58c(b)(9)(B)(ii)) is amended by striking “sec-  
 13 tion 236 of the Tariff and Trade Act of 1984” and insert-  
 14 ing “section 236 of the Trade and Tariff Act of 1984”.

15 **SEC. 307. CONFORMING AMENDMENT TO SECTION 337 OF**  
 16 **THE TARIFF ACT OF 1930.**

17          (a) IN GENERAL.—The second sentence of section  
 18 337(b)(3) of the Tariff Act of 1930 is amended by striking  
 19 “section 303, 671, or 673” and inserting “section 303,  
 20 701, or 731”.

21          (b) EFFECTIVE DATE.—The amendment made by  
 22 subsection (a) shall take effect October 28, 1992.

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